

DOCKET FILE 95-184

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June 11, 1996

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, DC 20554

June 11, 1996

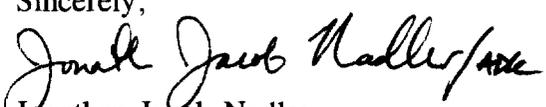
RE: Ex Parte Presentation: CS Docket No. 95-184

Dear Mr. Caton:

On Tuesday, June 11, 1996, Jonathan Jacob Nadler and Adam D. Krinsky, on behalf of Compaq Computer Corporation, met with James W. Olson, Chief, Competition Division, Office of General Counsel, and Jeffrey S. Lanning, Antitrust Attorney/Advisor, Competition Division, Office of General Counsel.

At the meeting, the parties discussed the pleading filed by Compaq in CS Docket No. 95-184 and the information presented in the attached document, which was distributed at the meeting. In accordance with Section 1.1206(a) of the Commission's Rules, two copies of this written submission are attached to this letter for inclusion in the public record.

Please contact the undersigned if you have any questions.

Sincerely,

Jonathan Jacob Nadler

Enclosure

cc: James W. Olson
Jeffrey S. Lanning

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**THE COMMISSION SHOULD PROMPTLY ADOPT ITS PROPOSAL
TO ALLOW CONSUMERS TO "PURCHASE" AND "CONNECT"
COMPETITIVELY PROVIDED CABLE CPE**

- **Section 304 of the Telecommunications Act Requires The Commission to Adopt Rules Necessary to Create a Competitive Market For All Types of Cable CPE.**
 - The Commission is required to adopt rules to assure the "commercial availability" of "converter boxes, interactive communications equipment, and other equipment used by consumers to access . . . services offered over multichannel video programming systems."
 - Although significant attention has been paid to the set-top box, Section 304 is designed to foster a competitive market in all types of cable CPE.
 - This includes the cable modem which, Compaq believes, will play a critical role in providing consumers with access to the vast resources of the Internet and other interactive services.

- **The Commission Must Take Several Distinct Actions to Promote Commercial Availability of Cable CPE.**
 - Confirm the principle that consumers can interconnect competitively provided CPE to the cable infrastructure, subject to a no-harm-to-the-network standard.
 - Require cable system operators to separate the provision of regulated transmission service (including premises-based security equipment) from the provision of non-security-related cable CPE.
 - Adopt a "Part 68 for Cable" that will facilitate exercise of the user's interconnection rights.
 - Require cable operators to disclose interface information necessary to allow independent manufacturers to develop equipment that can interoperate with the cable infrastructure.
 - Adopt the decoder interface standard.
 - Adopt digital transmission standards

- **The Commission Should "Phase-In" Implementation of Section 304**
 - Prompt implementation of Section 304 is necessary to prevent cable system operators from foreclosing competition in emerging CPE markets, such as that for cable modems.
 - The Commission should move forward on those issues that can be resolved now, rather than deferring action until all outstanding issues have been resolved. Specifically:
 - * The Commission should establish the basic pro-competitive principles governing cable CPE as soon as possible. The existing record in CS Docket 95-184, which was compiled after adoption of Section 304, provides an adequate basis on which to do so.
 - * Devices that do not raise significant security concerns, such as cable modems, should be unbundled within a relatively short period of time.
 - * Unbundling of analog converter boxes should occur once the appropriate standards are in place.
 - * The Commission should fulfill its commitment to adopt digital transmission standards.